

DATE: 7 March 2017

KING FORCE GROUP HOLDINGS LIMITED

(as Company)

AND

GRANSING SECURITIES CO., LIMITED



**鼎成證券有限公司
GRANSING SECURITIES CO., LIMITED**

(as Placing Agent)

PLACING AGREEMENT

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THIS AGREEMENT is made on the 7 March 2017

BETWEEN:

- (1) **KING FORCE GROUP HOLDINGS LIMITED**, a company incorporated in the Cayman Islands with limited liability with its registered office at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and its head office and principal place of business in Hong Kong at Unit 1101, No. 118 Connaught Road West, Sai Ying Pun, Hong Kong Hong Kong ("**Company**"); and
- (2) **GRANSING SECURITIES CO., LIMITED**, a company incorporated in Hong Kong having its registered office at Rm 805-806, 8/F, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong ("**Placing Agent**").

WHEREAS:

- (A) The Company has at the date of this Agreement an authorised share capital of HK\$20,000,000 divided into 20,000,000,000 Shares (as defined below) of which 7,126,846,591 Shares have been issued and are fully paid up or credited as fully paid up.
- (B) At the annual general meeting of the Company held on 24 August 2016, a resolution was passed pursuant to which a general mandate ("**General Mandate**") was unconditionally given to the directors of the Company to allot, issue and deal with new Shares up to 20 % of the aggregate nominal amount of the issued share capital of the Company then existing, i.e. a total of 6,400,000,000 Shares of HK\$0.001 each of the Company. As such, an aggregate of 1,280,000,000 Shares of the Company are issuable under the General Mandate. Save and except for the 726,846,591 Shares issued on 16 December 2016 by the Company pursuant to a sale and purchase agreement entered by the Company on 19 October 2016, no new shares have been issued under the General Mandate since its grant and 553,153,409 Shares remained unissued as at the date of this Agreement.
- (C) All the issued Shares are currently listed on GEM (as defined below).
- (D) The Company proposes to offer for subscription and the Placing Agent has agreed to procure, as agent of the Company, the Placees (as subscribers) to subscribe for the Placing Shares on a best effort basis on the terms and subject to the conditions hereinafter mentioned.
- (E) The Placing Shares will be issued pursuant to the General Mandate.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS

- 1.1 In this Agreement (including the Recitals) the following expressions (except where the context otherwise requires) shall have the respective meanings set out below:

“acting in concert”	has the meaning as ascribed to it in the Code on Takeovers and Mergers of Hong Kong.
“Admission”	the grant by the Listing Division of the Stock Exchange of the listing of, and permission to deal in, all of the Placing Shares.
“agreed draft”	a document or agreement which is in form and substance reasonably satisfactory to the Company and the Placing Agent.
“Announcement”	the announcement in the agreed draft and proposed to be issued by the Company as soon as practicable following the execution of this Agreement.
“associate”	has the meaning as ascribed to it under the GEM Listing Rules.
“Board”	the board of directors of the Company.
“Business Day”	any day (not being a Saturday, Sunday or public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours.
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), or as the context may require, the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).
“Completion”	completion of the Placing as provided in Clause 6.
“Completion Date”	the date of Completion.

“connected person”	has the meaning as ascribed to it under the GEM Listing Rules.
“Group”	the Company and its subsidiaries.
“GEM”	the Growth Enterprise Market operated by the Stock Exchange.
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China.
“Placee(s)”	any individuals, corporate, institutional investors or other investors procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations hereunder, subject to compliance with Clause 2.2.
“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s) on the terms and subject to the conditions set out in this Agreement.
“Placing Letter”	the letter to be sent to the proposed Placee(s) in the agreed draft.
“Placing Price”	the price of HK\$0.022 per Placing Share.
“Placing Shares”	up to [553,153,409] new Shares to be allotted and issued pursuant to the terms and conditions of this Agreement which will rank <i>pari passu</i> in all respects with the Shares in issue as at the date of allotment of the Placing Shares and each, a “Placing Share”.
“SFC”	the Securities and Futures Commission of Hong Kong.
“Shares”	ordinary shares of HK\$[0.001] each in the capital of the Company and each, a “Share”.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

- 1.2 Words and expressions defined in the Companies Ordinance shall unless the context otherwise requires have the same meanings in this Agreement.
- 1.3 In this Agreement, including the Recitals:
- (1) references to recitals and clauses are to recitals and clauses of this Agreement;
 - (2) a reference to a statute or statutory provision includes a reference:
 - (a) to that statute or statutory provision as from time to time modified or re-enacted;
 - (b) to any repealed statute or statutory provision which it re-enacts (with or without modification); and
 - (c) to any subordinate legislation made under the relevant statute;
 - (3) references to the singular include references to the plural and vice versa;
 - (4) references to any gender include references to all genders;
 - (5) references to persons include references to bodies corporate, unincorporated associations and partnerships; and
 - (6) headings to clauses are for convenience only and do not affect interpretation of this Agreement.

2. APPOINTMENT OF THE PLACING AGENT

- 2.1 The Company hereby appoints the Placing Agent, upon and subject to the terms and conditions of this Agreement, as its placing agent to procure not fewer than six Placees at the Placing Price (together with brokerage (if any), such transaction levy as may be payable to the SFC for the Placing Shares and such trading fee as may be payable to the Stock Exchange for the Placing Shares to be borne and payable by the Placees) for the Placing Shares on a best effort basis. The Placing Shares shall be offered by way of Placing Letter by the Placing Agent to the Placee(s) (other than as agreed between the Placing Agent and the Company). The Placing Agent may in turn, at its own expenses, appoint its sub-placing agent(s) to procure the purchasers to subscribe for the Placing Shares provided that the Placing Agent shall remain liable for all act or omission carried out by any sub-placing agent(s) in the performance of the Placing Agent's obligations under this Agreement.
- 2.2 The Placee(s) to be procured by or on behalf of the Placing Agent shall be independent of the Company and not connected nor acting in concert with any of the connected persons of the Company or any of their respective associates.
- 2.3 The Placing Agent undertakes to the Company that it will:

- (1) procure Placee(s) only in the course of communications with them over the telephone and without the despatch of documents until after legally binding commitments (which shall in all cases be conditional on the condition set out in Clause 3.1 of this Agreement to the extent that such condition has not been satisfied) to subscribe for the Placing Shares have been obtained from each Placee(s) in the course of such communications; and
 - (2) confine all statements it makes during the course of these communications strictly within the limits of the information contained in the Announcement.
- 2.4 The Placing Agent shall require any of its sub-placing agent(s) to or through whom it may effect the Placing or offer or sell any Placing Shares to comply with all relevant obligations and provisions to which the Placing Agent is subject to or by which the Placing Agent is bound pursuant to this Agreement.

3. CONDITION

- 3.1 The obligations of the Placing Agent under Clause 2 and the obligations of the Company under Clause 6 are conditional upon the Admission being obtained on or before 28 March 2017.
- 3.2 Each of the Company and the Placing Agent shall use their respective best efforts to procure the satisfaction of the condition set out in Clause 3.1 by the date stated therein or such later date as the parties hereto may agree in writing, but if the condition shall not be so satisfied, all rights, obligations and liabilities of the Placing Agent and of the Company hereunder shall cease and terminate and none of the parties hereto shall have any claim against the other in relation thereto (save in respect of any antecedent breach of any obligation under this Agreement).

4. PUBLICATION OF ANNOUNCEMENT

The Company shall release the Announcement for publication as soon as practicable after execution of this Agreement.

5. LISTING

The Company undertakes to the Placing Agent that it will apply to the Stock Exchange for the Admission and the Placing Agent agrees to, or procure its sub-placing agent(s) to, sign any documents or take any action as may be required in connection with such application for the Admission (including but not limited to promptly supply to the Stock Exchange and/or the SFC such information as may be requested by the Stock Exchange and/or the SFC).

6. COMPLETION

- 6.1 Completion shall take place within [five] Business Days after the fulfillment of the condition set out in Clause 3.1 (or such other date and place as the parties hereto may agree in writing).

6.2 As soon as practicable and in any event no later than the day which is the fourth Business Day before the Completion Date, the Placing Agent will deliver to the Stock Exchange (and/or the SFC, if requested) details of the Placee(s) procured to subscribe for the Placing Shares including, inter alia, their names, country of incorporation (if a corporation) and addresses (or registered/correspondence address if a corporation) and the number of Placing Shares which they have respectively agreed to subscribe, and (if requested by the Stock Exchange and/or the SFC) together with acknowledgments signed by each of the Placees confirming, inter alia, that such Placee (and any of their nominees or beneficial owners) is independent of and not connected nor acting in concert with the Company and any of its connected persons or their respective associates.

6.3 At Completion:

- (1) the Placing Agent will pay to the Company in immediately available funds in an amount equivalent to the aggregate amount payable for the total number of Placing Shares sold on behalf of the Company less all fees payable to the Placing Agent under Clause 9;
- (2) the Company shall, against receipt of the copy of bank deposit slip by the Placing Agent, allot and issue the Placing Shares in the name of HKSCC Nominees Limited and cause share certificate of the Placing Shares to be delivered to the depositary of Hong Kong Securities Clearing Company Limited (HKSCC) no later than 12:00 noon on the Completion Date for credit to the CCASS participants' accounts of the Placing Agent (number B01660) (or as the Placing Agent may otherwise direct); and
- (3) the Placing Agent shall distribute the Placing Shares to the Placees according to their respective entitlements thereto upon receipt of the Placing Shares in the CCASS participants' accounts of the Placing Agent.

7. **REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

The Company represents and warrants to the Placing Agent that:

- (1) the Company is duly incorporated in the Cayman Islands and is validly existing under the laws of the Cayman Islands;
- (2) the entire existing issued share capital of the Company is listed on GEM;
- (3) subject to the fulfilment of the condition set out in Clause 3.1, the Company has full power and authority to issue the Placing Shares;
- (4) with respect to all announcements, circulars, interim and annual reports issued by the Company to the Stock Exchange and/or the shareholders of the Company since the publication of the announcement of the Company relating to the annual results of the Company for the year ended 31 March 2016 ("**Previous Announcements**"), all statements of fact contained therein were true, accurate and not misleading in any material respect; and

- (5) the Placing Shares will rank, upon issue, *pari passu* in all respects with the other Shares in issue as at the date of allotment and issue of the Placing Shares and the Placing Shares, when issued, will be free from all liens, charges, encumbrances, claims, options or other third party rights together with all rights attaching thereto as at the date of allotment and issue of the Placing Shares.

8. INDEMNITY

The Company undertakes to indemnify, upon demand, the Placing Agent, against all or any costs, expenses (including reasonable and proper legal fees), fees, claims, actions, liabilities, demands, proceedings or judgments (including, but not limited to, all such losses, costs, charges or expenses suffered or incurred in disputing or defending any proceedings and/or in establishing its rights to be indemnified pursuant to this Clause 8 and/or in seeking advice in relation to any proceedings) brought or established against either of the Placing Agent by any Placee or by any governmental agency, regulatory body or other person which, in any such case, arises out of or in connection with any breach of any of the warranties and representations contained in Clause 7 and does not arise from the Placing Agent's or its respective sub-agent's negligence, breach of this Agreement, fraud, bad faith or default.

9. PLACING FEE

- 9.1 In consideration of the services of the Placing Agent in relation to the Placing and provided that Completion occurs in accordance with Clause 6, the Company shall pay to the Placing Agent a commission of 2.5 per cent (2.5%) of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent on behalf of the Company in pursuance of its obligations herein which the Placing Agent is hereby authorised to deduct from the payment to be made by it to the Company at Completion pursuant to Clause 6.3(1).

- 9.2 In addition to the placing commission referred to in Clause 9.1:

- (1) other than brokerage (if any), such transaction levy as may be payable to the SFC for the Placing Shares and such trading fee as may be payable to the Stock Exchange for the Placing Shares which shall be borne and payable by the Placees as specified in Clauses 2.1 and 9.3(2), the Company shall pay all fees payable to the Stock Exchange and the SFC arising from the creation and issuance of the Placing Shares in accordance with the terms of this Agreement, and all charges, fees and expenses of the Company's share registrar including (without limitation) their fees and expenses in allotting and issuing the Placing Shares and the issuance of definitive share certificates therefor; and
- (2) the Company shall bear reasonable out-of-pocket expenses (including but not limited to fees charged in respect of CCASS transactions) , which, if ascertained at Completion, the Placing Agent is hereby authorised to deduct from the payment to be made to the Company at Completion pursuant to this Agreement.

9.3 Without prejudice to the generality of Clause 9.2(1), the Company will be responsible to pay all costs and expenses (including legal expenses) incurred by it in connection with:

- (1) the preparation and release of the Announcement and the negotiation, preparation and completion of this Agreement; and
- (2) the issue of the Placing Shares (excluding brokerage (if any), such transaction levy as may be payable to the SFC for the Placing Shares and such trading fee as may be payable to the Stock Exchange for the Placing Shares which shall be borne and payable by the Placees as specified in Clause 2.1).

9.4 Payment of the amounts referred to in Clause 9.2(2) to the extent they have been reasonably and properly incurred, shall be made by the Company to the Placing Agent whether or not Completion takes place.

10. CONFIDENTIALITY

Subject to any requirements of the Stock Exchange or other regulatory authorities, none of the parties hereto shall, directly or indirectly, make any announcement or communication other than the Announcement in relation to this Agreement or any matter ancillary thereto without the prior written consent of the other (such consent not to be unreasonably withheld or delayed).

11. UNDERTAKINGS BY THE PLACING AGENT

11.1 The Placing Agent represents, warrants and undertakes to the Company that:

- (1) in each jurisdiction in which the Placing Agent (or the sub-placing agent(s)) solicits subscription for the Placing Shares, the Placing Agent will do so in accordance with all relevant laws or regulations in force in such jurisdiction. The Placing Shares shall not be offered to or placed in circumstances which would constitute an offer to the public in Hong Kong within the meanings of the Companies Ordinance or in any other place or in any manner in which the securities laws or regulations of any place may be infringed;
- (2) the Placing Agent will procure not less than six Placees for the subscription of the Placing Shares at the Placing Price upon and subject to the terms and conditions of this Agreement;
- (3) to the best knowledge, information and belief of the Placing Agent (after due and careful enquiries), the Placee(s) and their respective ultimate beneficial owners will be third party(ies) independent of, and not connected with or acting in concert with, the Company, its connected persons and their respective associates;
- (4) the Placing Agent will make available and promptly supply, or procure the relevant Placee(s) to make available and promptly supply, to the Stock Exchange and the SFC or any other regulatory authority all information in

relation to the Placee(s) which may be required by the Stock Exchange, the SFC and/or any other regulatory authority;

- (5) the Placing Agent will ensure the fulfillment and compliance of all applicable rules and regulations of the Stock Exchange in relation to its role as placing agent for the Placing, and, if required, will issue appropriate written confirmation of such fulfillment and compliance;
- (6) the Placing Agent has not made and will not make to any person to whom Placing Shares may be offered any representation or statement regarding the Company, the Group or the financial or business position or prospects of the Company or the Group which has not been or is not at the time of making the same disclosed to the public in writing;
- (7) none of the Placees to be procured by the Placing Agent falls or will, upon Completion, fall under the category of a "US person" under the United States Securities Act of 1933;
- (8) none of the Placees to be procured by the Placing Agent will, immediately upon Completion, become a substantial shareholder (within the meaning of the GEM Listing Rules) of the Company;
- (9) the Placing Agent and its ultimate beneficial owners are not connected with the Company and its connected persons or any of their respective associates;
- (10) the Placing Agent will require any sub-placing agent(s) or other person to or through whom it may effect the Placing or offer or sell any Placing Shares (all costs in relation to appointment of such sub-placing agent(s) or persons shall be borne by the Placing Agent) to comply with the foregoing provisions.

12. FORCE MAJEURE

12.1 The Placing Agent may, after consultation with the Company, terminate this Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if in its reasonable opinion:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in this Agreement and such breach is material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing

Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

- 12.2 Upon termination of this Agreement pursuant to this Clause 12, all liabilities of the parties hereto hereunder shall cease and determine and no party hereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with this Agreement save in respect of any antecedent breach of any obligation under this Agreement.

13. GENERAL PROVISIONS RELATING TO AGREEMENT

- 13.1 Any date or period in this Agreement may be changed by written agreement of the parties but as regards any date or period (whether or not amended or changed as aforesaid) time shall be of the essence of this Agreement.
- 13.2 Each of the parties hereto undertakes to the other to execute all such documents and to do or procure to be done all such other acts and things as may be necessary to give the other party the full benefit of this Agreement.
- 13.3 This Agreement shall be binding on and endure for the benefit of the successors of the parties but assignment may only be made after prior written consent of the other party has been given.
- 13.4 Any right or remedy conferred on any party for breach of this Agreement (including the breach of any representations and warranties) shall be in addition and without prejudice to all other rights and remedies available to it in respect of that breach and the exercise of or failure to exercise any right or remedy in respect of such breach shall not, save as provided herein, constitute a waiver by such party of any other right or remedy it may have in respect of that breach.
- 13.5 Any provision of this Agreement which is capable of being performed after Completion but which has not been performed at or before Completion and all the representations and warranties contained in this Agreement shall remain in full force and effect notwithstanding Completion.
- 13.6 This Agreement constitutes the entire agreement between the parties hereto with respect to its subject matter (no party having relied on any representation or warranty made by the other party with respect thereto which is not contained in this Agreement) and this Agreement supersedes all and any previous agreements, arrangements or understandings between the parties hereto relating to the matters referred to in this Agreement and all such previous agreements, arrangements or understandings (if any) shall cease and determine with effect from the date hereof.
- 13.7 No variation of this Agreement shall be effective unless made in writing and signed by each of the parties hereto.
- 13.8 If at any time any provision of this Agreement is or becomes illegal, void or unenforceable in any respect, the remaining provisions hereof shall in no way be affected or impaired thereby.

- 13.9 This Agreement may be executed by the parties hereto in any number of counterparts and on separate counterparts, each of which when so executed shall be deemed an original but all of which shall constitute one and the same instrument and be binding on all parties. Any party executing this Agreement on a facsimile copy counterpart shall deliver the original of the counterpart to the other party within two days after the same was sent by facsimile.
- 13.10 Unless otherwise provided herein, a person or company who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) to enforce any term of this Agreement.

14. NOTICES

- 14.1 All notices delivered hereunder shall be in writing and shall be delivered by hand or despatched by first class post or (in the case of notices given to the Company (Fax No.: (852) [2804 2918]) or to the Placing Agent (Fax No.: (852) 25417453) by facsimile, to the following addresses: if to the Company, to Unit 1101, No. 118 Connaught Road West, Sai Ying Pun, Hong Kong marked for the attention of the Board and if to the Placing Agent to its address at Rm 805-806, 8/F, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong marked for the attention of Mr. Calvin Lee.
- 14.2 Any such notice shall take effect in the case of delivery by hand upon delivery, in the case of despatch by local mail 24 hours after posting, and in the case of facsimile, on production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient specified in Clause 14.1.

15. GOVERNING LAW, JURISDICTION AND SERVICE OF PROCESS

- 15.1 This Agreement shall be governed by, and construed in accordance with, the laws of Hong Kong.
- 15.2 Each party hereto irrevocably agrees that the courts of Hong Kong ("**Courts**") shall have non-exclusive jurisdiction in relation to any claim, dispute or difference concerning this Agreement and any matter arising therefrom.
- 15.3 Each party hereto irrevocably waives any right that it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.
- 15.4 Each party hereto agrees that without preventing any other mode of service, any document in an action (including, but not limited to, any writ of summons or other originating process or any third or other party notice) may be served on any party by being delivered to or left for that party at its address for service of notices under Clause 14 and each party hereto undertakes to maintain such an address at all times in Hong Kong and to notify the other party in advance of any change from time to time of the

details of such address in accordance with the manner prescribed for service of notice under Clause 14.

IN WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first above written.

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THE COMPANY

SIGNED by Chen Yunchuo

for and on behalf of

KING FORCE GROUP HOLDINGS LIMITED

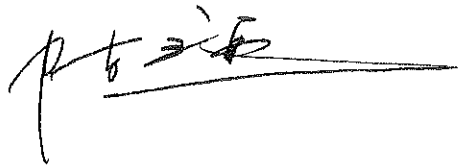
in the presence of:

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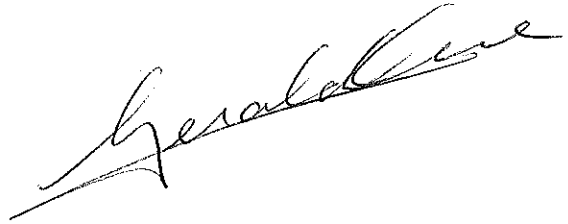
[Signature page to the Placing Agreement]

THE PLACING AGENT

SIGNED by Que Bon Tan Gerald
for and on behalf of
GRANSING SECURITIES CO., LIMITED
in the presence of:
Wan Shing Lung

A handwritten signature in black ink, appearing to read 'Wan Shing Lung', written in a cursive style.

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A handwritten signature in black ink, appearing to read 'Gerald', written in a cursive style.